

**RECORD OF DECISION
SOUTHERN INTERTIE PROJECT
INTERTIE PARTICIPANTS GROUP
RIGHT-OF-WAY PERMIT APPLICATION E-298-KE**

Decision

We, the U.S. Fish and Wildlife Service, through the Regional Director, Alaska Region, hereby deny a grant of right-of-way (application E-298-KE) to the Intertie Participants Group (IPG) for development of the Southern Intertie electric transmission line project on the Kenai National Wildlife Refuge. The proposed project would have significant adverse impacts on Kenai Refuge resources, was determined to be not compatible with the purposes for which the Kenai Refuge was established, and there exists an economically feasible and prudent alternative to crossing the Kenai Refuge. Our decision, made under authority of the National Wildlife Refuge System Administration Act (16 U.S.C. 668dd), complies with the requirements of the National Environmental Policy Act [(NEPA) (42 U.S.C. 4371 *et seq.*)] and the Alaska National Interest Lands Conservation Act [(ANILCA) (16 U.S.C. 3101)].

Project Description

The IPG consists of Chugach Electric Association, Inc., Municipality of Anchorage - Municipal Light and Power, City of Seward - Seward Electric System, Matanuska Electric Association, Inc., Golden Valley Electric Association, Inc., and Homer Electric Association, Inc. The IPG proposes to construct a new 138 kilovolt (kV) electric transmission line between the Kenai Peninsula and Anchorage. The proposed transmission line (Enstar Route) would enter the Kenai Refuge east of Sterling, and follow the existing Enstar natural gas pipeline for approximately 38.3 miles to Chickaloon Bay, where it would exit the Refuge at Burnt Island. The 3-phase transmission line would be supported mostly by guyed steel X-frame towers of approximately 90 feet in height, and a typical span of 750 feet. For 5.4 miles adjacent to Chickaloon Bay, 70-foot tall single wood poles with a typical span of 600 feet would be used. A facility enclosed within a 100-foot by 130-foot fenced area would be constructed for transition from overhead to submarine cable. The right-of-way width would be 100 feet for single pole, or 150 feet for X-frame structures.

NEPA Compliance

As a cooperating Federal agency, we assisted in preparation of an environmental impact statement¹ (EIS) for the project in accordance with the provisions of NEPA and the Council on Environmental Quality regulations at 40 CFR Parts 1500-1508. We participated in public scoping and inter-agency meetings, and in public hearings on the project draft EIS as required by Title XI

¹ Southern Intertie Project Final Environmental Impact Statement, U.S. Department of Agriculture, Rural Utilities Service, Washington, DC, July, 2002.

of ANILCA. The EIS describes the consultation and coordination that has occurred during the NEPA process.

Title XI of ANILCA

The Kenai Refuge is a Conservation System Unit designated under ANILCA [Section 304 (4)], and rights-of-way for transportation and utility systems (TUS) are governed under Title XI of ANILCA and its implementing regulations at 43 CFR Part 36. Regulations at 43 CFR 36.7 require that the following nine factors be considered in making a decision regarding a proposed TUS:

1. *The need for and economic feasibility of the TUS [43 CFR 36.7 (a)(2)(i)].*

The purpose and need for the project is documented in the EIS, and centers around correcting existing deficiencies in the Railbelt electrical system south of Anchorage. Deficiencies include capacity limitations of the existing Quartz Creek transmission line and its susceptibility to outages due to avalanches and other adverse weather conditions. Although evaluation of the economic feasibility of electric utility projects is beyond our scope of expertise, we have no reason to dispute the findings in the EIS.

2. *Alternative routes and modes of access, including a determination with respect to whether there is any economically feasible and prudent alternative² to routing the system through or within an area, and, if not, whether there are alternate routes or modes which would result in fewer or less severe impacts upon the area [43 CFR 36.7 (a)(2)(ii)].*

The EIS identified a number of alternatives to the proposed project, including two major new transmission line routing alternatives (Quartz Creek and Tesoro routes), and a wide variety of non-transmission alternatives, such as fuel cells, battery energy storage systems, new generation, and energy conservation. Of these, only the Tesoro Route transmission line alternative was found to meet the purpose and need for the project, and was therefore fully evaluated in the EIS. Originally identified by the IPG as a viable project alternative, the Tesoro Route generally parallels the North Kenai Road from Nikiski to Captain Cook State Recreation Area, and then follows the existing Tesoro fuels pipeline along the northwest coast of the Kenai Peninsula to Pt. Possession, where it becomes a submarine crossing of Turnagain Arm enroute to Anchorage. The route would occupy a transportation corridor designated by the Kenai Peninsula Borough on lands removed from the Kenai Refuge (PLO 3400, May 22, 1964) for development of the Kenai Peninsula. Although the Tesoro Route would cross the established Kenai Refuge boundary at two locations for a total of less than two miles, a right-of-way permit from the Service would not be required at these locations. The cost to construct the Tesoro Route alternative is

²*Economically feasible and prudent alternative route* means a route either within or outside an area that is based on sound engineering practices and is economically practicable, but does not necessarily mean the least costly alternative route [43 CFR 36.2 (h)].

approximately ten percent higher than for the Enstar Route, and the total life cycle cost favors the Enstar Route by approximately 14 percent. However, the additional costs of construction and maintenance do not disqualify the Tesoro Route alternative from being an economically feasible and prudent alternative consistent with the regulatory definition, and from the standpoint of the IPG.

3. *The feasibility and impacts of including different TUSs in the same area* [43 CFR 36.7 (a)(2)(iii)].

Both of the new transmission line alternatives are located adjacent to existing pipelines for much of their routes on the Kenai Peninsula. The Enstar Route parallels the Enstar natural gas pipeline across the Kenai Refuge, while the Tesoro Route follows the Tesoro fuels pipeline along the northwest coast of the peninsula. The impacts of co-locating the proposed transmission line with existing pipelines are similar for both routes, and generally include expansion of existing clearings and access routes. These impacts are described in detail in the EIS.

4. *Short and long term social, economic and environmental impacts of national, state or local significance, including impacts on fish and wildlife and their habitat and on rural, traditional lifestyles* [43 CFR 36.7 (a)(2)(iv)].

The environmental impacts of the project alternatives are assessed in the EIS. As a cooperating Federal agency, the Service assisted in preparation of the document, particularly in relation to impacts to fish and wildlife, and other Kenai Refuge resources. According to the EIS, the project will have significant adverse impacts on the following: fish and wildlife resources; land use and recreation; visual resources; and Refuge management plans. The proposal would also add to already significant cumulative impacts on Refuge resources as a result of human activities in and surrounding the Kenai Refuge. Adverse impacts to fish and wildlife resources of the Kenai Refuge are considered nationally significant because of the Congressional mandate to conserve these resources. In light of the above considerations, the EIS identifies the Tesoro Route as the environmentally preferred alternative.

5. *The impacts, if any, on the national security interests of the United States, that may result from the approval or denial of the application for the TUS* [43 CFR 36.7 (a)(2)(v)].

Our denial of this right-of-way application will not affect national security interest that may be associated with this proposed project, since a feasible alternative has been identified, and that remains available to the IPG.

6. *Any impacts that would affect the purposes for which the Federal unit or area concerned was established* [43 CFR 36.7 (a)(2)(vi)].

Our detailed findings in this regard are contained in the attached Compatibility

Determination, which is required under the National Wildlife Refuge System Administration Act, and is also prepared in compliance with Title XI regulations at 43 CFR 36.1 (b). In summary, we have determined that the use of Refuge lands for the project as proposed would not be compatible with the purposes for which the Kenai Refuge was established.

7. Measures which should be instituted to avoid or minimize negative impacts [43 CFR 36.7 (a)(2)(vii)].

The EIS examines a full range of practicable measures to mitigate the anticipated adverse impacts of the proposed project, however such measures would not significantly reduce the impacts sufficient to make the use compatible with Kenai Refuge purposes.

8. The short and long term public values which may be adversely affected by approval of the TUS versus the short and long term public benefits which may accrue from such approval [43 CFR 36.7 (a)(2)(viii)].

No comparison of public values and benefits is necessary, since we will not approve the right-of-way for the project as proposed.

9. Impacts, if any, on subsistence uses [43 CFR 36.7 (a)(2)(ix)].

Our denial of the right-of-way application for the project as proposed will have no impacts on current subsistence uses of the Kenai Refuge.

Summary

Based on the factors discussed above, we have decided to deny issuing a right-of-way permit to the IPG for the Southern Intertie project as proposed. We have established an administrative record containing the documentation used in reaching this decision, including all documents associated with preparation of the EIS and Refuge Compatibility Determination.

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Date: 8/22/02

Reviewed by: Sharon N. James
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Date: 8/22/02

Approved by: Dr. B. All
Regional Director

Date: 9/11/02